

The regular monthly meeting of the Altoona Water Authority Board of Directors was held on Thursday, January 18, 2018 in the Board room at the Administrative Office. Vice-Chairman Neugebauer called the meeting to order at 9:00 a.m.

### **Pledge of Allegiance**

### **Attendance:**

Mr. Neugebauer, Mr. Ake, Mrs. Marcinko & Mr. Strohm were present, constituting a quorum in accordance with AWA Bylaws. All AWA Board of Directors meetings are conducted in accordance with the PA Sunshine Laws. Also in attendance were Consulting Engineer, Mark Glenn, Solicitors, David Consiglio and David Gaines, AWA Staff, Mark Perry, Mike Sinisi, Gina DeRubeis, Ron Becher, Todd Musser and Kathy Gabella.

### **Public Comment:**

None

### **Approval of the Minutes:**

Mr. Strohm made a motion to approve the minutes of the December 21, 2017 meeting. Mrs. Marcinko seconded the motion. Mr. Neugebauer called the question. The motion passed with a vote of 4-0. The minutes were approved as submitted.

### **Unfinished Business:**

1. Water Rates, Rules and Regulations – there were a couple of housecleaning items that needed to be addressed on the fee list. There were frozen meters charges listed that no longer apply because they are the old type SR meters. When these meters freeze or no longer work they will be replaced with a new Ipearl meter. Language was also added to include the RTU charge with the connection fee; and the large end meters for frozen/damaged/altered meters to be charged time and material.
2. Commonwealth Financing Agency Funding – the Authority will apply for a CFA grant which is an 85/15 percent match. The Authority applied last year but was not selected to receive the grant. The project has been pared back to try to be more compatible with the guidelines of the CFA grant. There are five (5) cleaning and lining projects that will total \$409,230.00 and the grant portion will be \$370,307.00. The application is due February 22, 2018. It is expected the Authority will receive the results sometime next fall.
3. PennVEST Funding – a \$12,000,000.00 project is needed for major rehab sewer line construction work. Some of the brick lines are structurally deficient and some are in intense need of cleaning. This project could prevent some backup and surcharge issues. The least invasive method would be rehabilitation; it would prevent the tearing-up of roads or excavating close to or beneath houses, etc. One way to achieve the rehabilitation would be to attach wire mesh to the inside the mainline of the sewer and spray Gunitite over the mesh.

4. Short Term Borrowing - Mrs. DeRubeis discussed the short term borrowing of \$3.4 million. There is a \$10,000,000.00 limit on bank qualified tax exempt issues. This would need to be coordinated with the borrowing of the City of Altoona since the limit pertains to the total amount to be borrowed between the City of Altoona and the Altoona Water Authority. There would also need to be a tax opinion from bond council. The bank as relates to the City is not requiring a guarantee from the City. However Bond Council suggested an acknowledgement from the City stating the \$3.4 million falls under the umbrella of the \$10 million. The rate is the LIBOR plus 225 basis points making the rate for one (1) year 3.516%. After some discussion it was decided to do a request of formal proposal (RFP). This will be tabled until further information is collected. Mrs. DeRubeis added that all borrowing the Authority does has to be approved by PennVEST.
5. Rate Study Report – a draft of the rate study report has been completed for the review team. They will continue to meet and review the global overview of the revenue needs and the rate revenue enhancements to provide stable revenue.

**Guests:** Colleen Deer

Colleen Deer from Mockenhaupt Benefits Group gave a brief update on the pension plan. She stated as of 1/1/2015 the funding ratio was 92.9%. If the Authority decides to do asset smoothing and make some changes the new MMO would be \$570,000.00 for 2019 and would be 84.4% funded. Staff recommends making the changes and doing the asset smoothing. Mrs. Marcinko made a motion to adjust the actuarial assumptions to reflect an interest rate of 7.25%, a salary scale of 2.5, adjust the mortality table and adding the asset smoothing method. Mr. Strohm seconded the motion. Mr. Neugebauer called the question. Motion passed with a vote of 4-0.

**Requisition Approval:**

Mr. Neugebauer asked Mrs. DeRubeis for the Financial Report and the Requisitions/Authorizations. Mrs. DeRubeis gave her report and then asked for approval of the following requisitions.

Requisition #2015-36 Water Division Capital Project Fund totaling - \$43,780.00

Mrs. Marcinko made a motion to approve the requisition. Mr. Ake seconded the motion. Mr. Neugebauer called the question. Motion passed with a vote of 4-0.

Mrs. DeRubeis informed the board she received a notification from the IRS that the debt issuance Sewer Revenue Bond Series C of 2010 has been selected for an audit. They are Build America Bonds and by all indications it is just a random audit.

**New Business:**

1. Attorneys David Consiglio and David Gaines of Campbell, Miller, Williams, Benson & Consiglio, Inc. were introduced to the Board. Mr. Consiglio gave a brief overview of their firm.

Mrs. Marcinko made a motion to appoint the law firm of Campbell, Miller, Williams, Benson & Consiglio, Inc. as solicitor in accordance with the firm's fee schedule. Mr. Ake seconded the motion. Mr. Neugebauer called the question. Motion passed with a vote of 4-0.

2. Mr. Strohm made a motion to reappoint the engineering firm of Gwin, Dobson, & Foreman, Inc as Consulting Engineer for 2018. Mrs. Marcinko seconded the motion. Mr. Neugebauer called the question. Motion passed with a vote of 4-0.
3. Billing Department - an employee in the billing office has retired and there are no current plans of replacing that position. Staff advised the Board of the plan to change the office hours in the Billing Department. By changing the hours to 7:00 a.m. to 3:00 p.m. and continue to open the doors to customers at 8:00 a.m. it would increase efficiency by giving the employees an hour in the morning to work on daily duties that need completed. It was also discussed to close the doors at 2:00 p.m. to allow the employees another hour each day to complete these tasks

There is an abundance of ways to make payments other than coming in the building. There are drop boxes at different locations, and payments can be made on line, mail, or you can have it taken out of your bank account, etc. March 1, 2018 is the target date to begin the new hours. There was further discussion on staggering hours for the billing employees or keeping the doors open until 3:00 p.m. The new hours will be posted several places in the lobby, on the entrance and exit doors to the Administrative Office Building, on the website, on the drop boxes, and the phone recording will be changed.

### **Resolutions:**

1. Resolution #18-01-869 to amend the Water Rates Rules & Regulations Fee List to remove the 5/8", 3/4" & 1" Frozen Meter Fee for the original SR meters; and be it also resolved to include verbiage for the additional fee for RTU installation of 5/8", 3/4" and 1" through 6" meters. Meter installations for the meter sizes or types not listed shall be charged on a time and material basis. Also, frozen/damaged/altered meters 1 1/2" and larger shall be charged on a time and material basis.

Mrs. Marcinko made a motion to approve Resolution #18-01-869. Mr. Ake seconded the motion. Mr. Neugebauer called the question. Motion passed with a vote of 4-0.

2. Resolution #18-01-870 to authorize submission for Commonwealth Finance Agency Funding.

Mr. Strohm made a motion to approve Resolution #18-01-870. Mr. Ake seconded the motion. Mr. Neugebauer called the question. Motion passed with a vote of 4-0.

3. Resolution #18-01-871 to submit the Financial Assistance Application to PennVEST

Mr. Ake made a motion to approve Resolution #18-01-871. Mr. Strohm seconded the motion. Mr. Neugebauer called the question. Motion passed with a vote of 4-0.

4. Resolution #18-01-872 to authorize the disposition of 2010 records.

Mrs. Marcinko made a motion to approve Resolution #18-01-872. Mr. Ake seconded the motion. Mr. Neugebauer called the question. Motion passed with a vote of 4-0.

5. Resolution #18-01-873 to accept the resignation of William Schirf with regret. Also to thank Mr. Schirf for his service.

Mrs. Marcinko made a motion to approve Resolution #18-01-873. Mr. Strohm seconded the motion. Mr. Neugebauer called the question. Motion passed with a vote of 4-0.

6. Award Water Treatment Chemicals, Ductile Iron Pipe & Fittings, Brass Water Works Fittings, Stone and Concrete and Manhole Casting and Fittings to the lowest responsible bidder.

Mr. Strohm made a motion to award the bids. Mrs. Marcinko seconded the motion. Mr. Neugebauer called the question. Motion passed with a vote of 4-0.

**Other Business:**

None

**Media Questions**

The board and staff addressed questions from Bill Kibler from the Altoona Mirror.

**Executive Session:**

None

**Adjournment:**

No further business was brought before the Board. The meeting was adjourned at 10:27 a.m. The next meeting will be held on Thursday, February 15, 2018 at 9:00 a.m. in the Board Room at the Administrative Office Building located at 900 Chestnut Avenue.



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Secretary/Assistant Secretary

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